

Filed for intro on 03/29/95
House Bill _____
By _____

Senate No. SB1852
By Ford J

AN ACT to amend Chapter 131 of the Private Acts of 1969, as amended by Chapter 85 of the Private Acts of 1987, and all other acts amendatory thereto, relative to the privilege tax upon hotel occupancy in Shelby County.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Section 10(c) of Chapter 131 of the Private Acts of 1969, as amended by Chapter 85 of the Private Acts of 1987, is amended by deleting the following:

At such time as the original issue of bonds issued to finance the construction of the Cook Convention Center shall become paid in full as to both principal and interest, whether in the year 1997 or at an earlier time if said bonds should be redeemed or retired prior to their various maturity dates, the tax levied hereof shall be reduced to the maximum rate of four percent (4%). On June 30, 2007, the taxing resolution shall be repealed and the tax shall no longer be levied; provided further that any funds remaining in "The Auditorium Fund", after all obligations imposed under the provisions of this Act shall have been fulfilled, shall be paid into a trust fund restricted to those uses specified in subsections (d) and (e) of Section 10 hereof.

and by substituting the following in lieu thereof:

At the later of: (i) such time as the original issue of bonds issued to finance the construction of the Cook Convention Center and any bonds issued in accordance with subsections (e) and (f) of Section 10 hereof shall become paid in full as to both principal and interest and (ii) June 30, 2015, the taxing resolution shall be repealed and the tax shall no longer be levied; provided further that any funds remaining in "The Auditorium Fund", after all obligations imposed under the provisions of this act shall have been fulfilled, shall be paid into a trust fund restricted to those uses in subsections (d), (e) and (f) of Section 10 hereof.

SECTION 2. Section 10(d) of Chapter 131 of the Private Acts of 1969, as amended by Chapter 85 of the Private Acts of 1987, is amended by deleting the following:

(d) Notwithstanding any of the provisions contained herein to the contrary, any revenues produced from this tax over and above that amount which is required for each year's debt service on the existing and outstanding bonded indebtedness incurred by the city and the county for the construction of the existing Cook Convention Center, shall be used to provide funding for the Convention and Visitors Bureau of such successor agency which deals with the promotion of tourism in Memphis and Shelby County. Subject to the availability of funds, the Convention and Visitors Bureau or its successor agency shall receive an amount of one million eight hundred thousand dollars (\$1,800,000) for fiscal year 1987-1988; provided further, that subject to the availability of funds, the amount of such funding shall increase by five percent (5%) per annum for each fiscal year thereafter until the tax provided for herein shall no longer be levied.

and by substituting the following in lieu thereof:

(d) Notwithstanding any of the provisions contained herein to the contrary, any revenues produced from this tax over and above that amount which is required for each year's debt service on the existing and outstanding bonded indebtedness incurred by the

city and the county for the construction of the existing Cook Convention Center, shall be used to provide funding for the Convention and Visitors Bureau or such successor agency which deals with the promotion of tourism in Memphis and Shelby County. Subject to the availability of funds, the Convention and Visitors Bureau or its successor agency shall receive an amount of three million three hundred thousand dollars (\$3,300,000) for fiscal year 1995-1996; provided further, that subject to the availability of funds, the amount of such funding shall increase by five percent (5%) per annum for each fiscal year thereafter until the tax provided for herein shall no longer be levied.

SECTION 3. Section 10(e) of Chapter 131 of the Private Acts of 1969, as amended by Chapter 85 of the Private Acts of 1987, is amended by deleting the following:

(e) If there be excess revenues remaining after each year's debt service on the existing and outstanding bonded indebtedness incurred by the city and county for the construction of the existing Cook Convention Center and after funds have been provided to the Convention and Visitor's Bureau or it's successor agency as prescribed in Section 10, subsection (d) hereof, such funds must be used for one of the following purposes or any combination thereof: (1) to fund the payment of any capital improvement project expenditures relative to the existing Cook Convention Center and Auditorium that have been made by the city and the county in the past, present, or future, including, but not limited to, debt service, interest, and pro rata issuance costs which are additional to the construction costs or, (2) to provide additional funding for the Convention and Visitors Bureau or its successor agency, or (3) to fund the operating deficit, if any, of the existing Cook Convention Center and Auditorium as designated by the Memphis City Council and the Shelby County Board of Commissioners.

and by substituting the following in lieu thereof:

(e) If there be excess revenues remaining after each year's debt service on the existing and outstanding bonded indebtedness incurred by the city and the county for the

construction of the existing Cook Convention Center and after funds have been provided to the Convention and Visitors Bureau or its successor agency as prescribed in Section 10, subsection (d) hereof, then such excess revenues shall be applied to payment of bonded indebtedness (issued after January 1, 1995), principal and interest including expenses of the bond sale or sales, in aggregate principal amount of not exceeding eleven million five hundred thousand dollars (\$11,500,000) incurred by the county for construction of improvements to the Pyramid Arena. Such payment shall be based upon actual bonded indebtedness incurred for such purpose, without deduction or offset due to any grant, credit or benefit which the county may be entitled by law to receive in connection with or as a result of such capital expenditures, such as but not limited to any grant, credit or benefit accruing under provisions of federal housing and urban renewal statutes.

SECTION 4. Section 10 of Chapter 131 of the Private Acts of 1969, as amended, is further amended by adding the following new subsection (f):

(f) If there be excess revenues remaining after each year's debt service on the existing and outstanding bonded indebtedness incurred by the city and the county for the construction of the existing Cook Convention Center, after funds have been provided to the Convention and Visitors Bureau or its successor agency as prescribed in Section 10, subsection (d) hereof, and after each year's debt service on the existing and outstanding bonded indebtedness (issued after January 1, 1995), in aggregate principal amount of not exceeding eleven million five hundred thousand dollars (\$11,500,000), incurred by the county for construction of improvements to the Pyramid Arena as prescribed in Section 10, subsection (e), such funds must be used for one of the following purposes or any combination thereof: (1) to fund the payment of any capital improvement project expenditures relative to the existing Cook Convention Center and Auditorium that have been made by the city and the county in the past, present, or the future, including, but

not limited to, debt service, interest, and pro rata issuance costs which are additional to the construction costs or (2) to provide, additional funding for the Convention and Visitors Bureau or its successor agency, or (3) to fund the operating deficit, if any, of the existing Cook Convention Center and Auditorium as designated by the Mayor of Memphis and the Memphis City Council and the Mayor of Shelby County and the Shelby County Board of County Commissioners.

SECTION 5. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Shelby County before October 1, 1995. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and certified by him to the Secretary of the State.

SECTION 6. For the purpose of approving or rejecting the provisions of the Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 5.